

**Submitting Changes to Origination Fee Percentages and Disbursements:
Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loan Awards**

Attachment to May 2014 Electronic Announcement

The table below reflects the origination fee percentages based on the first disbursement date for Direct Subsidized Loan, Direct Unsubsidized Loan, and Direct PLUS Loan awards.

For any loan disbursement for a loan where the first disbursement is/will be...	The origination fee percentage for Direct Subsidized and Direct Unsubsidized Loans is...	The origination fee percentage for Direct PLUS Loans is...
Before 7/1/2013	1.0%	4.0%
On or after 7/1/2013 and before 12/1/2013	1.051%	4.204%
On or after 12/1/2013 and before 10/1/2014	1.072%	4.288%
On or after 10/1/2014 and before 10/1/2015	1.073%	4.292%

To make changes to the origination fee percentage for awards already accepted on the COD System, a school should complete the following actions:

For Direct Loan awards *with only anticipated disbursements*.

Option 1

Step 1: Reduce the award amount and disbursements to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 2: ***Reactivate the original award*** by submitting the following information, as applicable:

- A change to the origination fee amount and the origination fee percentage that corresponds to the origination fee percentage period;
- A change to the earliest disbursement date that corresponds to the origination fee percentage period; and/or
- An updated award amount and the appropriate disbursement amount(s).

Option 2

Step 1: Reduce the award amount and disbursements to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 2: ***Submit a new award*** that includes all of the following information:

- The origination fee amount and an origination fee percentage that corresponds to the origination fee percentage period;
- An earliest disbursement date that corresponds to the origination fee percentage period; and
- The award amount and appropriate disbursement amount(s).

NOTE: For Direct PLUS Loans, if the credit check on file is more than 90 days in the past, a new credit check will be completed when the new award is processed. In addition, if the Direct PLUS Loan has an endorser, the borrower will need to complete a new Master Promissory Note and the endorser will need to complete a new Endorser Addendum.

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For Direct Loan awards *with at least one actual disbursement*.

Option 1

Step 1: Reduce the disbursement amount(s) to \$0 to inactivate the disbursement(s).

Wait for an accepted acknowledgement.

Step 2: Reduce the award amount to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 3: Submit a change to the origination fee percentage and/or a change to the earliest disbursement date that corresponds to the origination fee percentage period.

Wait for an accepted acknowledgement.

Step 4: **Reactivate the original award** by submitting an updated award amount and the appropriate disbursement amount(s).

Option 2

Step 1: Reduce the disbursement amount(s) to \$0 to inactivate the disbursement(s).

Wait for an accepted acknowledgement.

Step 2: Reduce the award amount to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 3: **Submit a new award** that includes all of the following information:

- The origination fee amount and an origination fee percentage that corresponds to the origination fee percentage period;
- An earliest disbursement date that corresponds to the origination fee percentage period; and
- The award amount and appropriate disbursement amount(s).

NOTE: For Direct PLUS Loans, if the credit check on file is more than 90 days in the past, a new credit check will be completed when the new award is processed. In addition, if the Direct PLUS Loan has an endorser, the borrower will need to complete a new Master Promissory Note and the endorser will need to complete a new Endorser Addendum.